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6 August 1965

BACKGROUND MATERIAL FOR
DCI BRIEFING OF
STENNIS SUBCOMMITTEE

THE SOVIET ECONOMY

- I. While the Soviet economy continues to grow, the slowdown that became evident in the first years of this decade continues.
 - A. Last year's increase in GNP was close to 7 percent. This looks very healthy, but much of it was a one-time reflection of the recovery in agriculture from the grain disaster of 1963. This year, the Soviets will be fortunate if their GNP increases by 3 percent.
 1. You may recall that in January 1964 the CIA estimate that Soviet economic growth had slowed down markedly touched off a furor in both the Western and Communist press. The chief of the Soviet Statistical Agency published extensive rebuttals which included attacks on the findings on the Soviet economy of the Statistical Subcommittee of the Joint Economic Committee. We now have information that in mid-June a young but prominent Soviet research economist and member of the Soviet Academy of Sciences, A. G. Aganbegyan, caused a considerable stir in Moscow with a critique of the Soviet system which was as comprehensive, frank and brutal as any produced in the West. His criticisms are reported to have included a statement that the argument with CIA was..."quite stupid. For the Americans gave a completely correct assessment of the state of our economy."

B-1

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2. The growth rate of industrial production was nearly 9 percent in the late 1950s, and 7 percent in the early 1960s. It dropped to about 5 percent in 1964. Available 1965 data does not suggest improvement except in the food processing industries. This is due to the failure to step up the rate of growth of investment in new productive capacity, which in turn reflects the overriding priorities the Soviet defense establishment holds for high-quality resources of men and materials.
3. Net agricultural production rose by an estimated 12 percent last year compared to significant declines in both 1962 and 1963.
 - a. The increase in the total grain harvest from 95 million metric tons in 1963 to 125 million tons last year was largely responsible for this gain. These are our estimates which are substantially less than the inflated official figures. The 1965 crop looks like it's going to be between the catastrophic 1963 and the very good 1964 level. The New Lands in Central Asia are again experiencing a drought, and the USSR will be forced to import more grain this year than last.
 - b. The seriousness of the agricultural situation is indicated, however, by Brezhnev's March speech calling for about \$80 billion investment in Soviet agriculture by 1970--a tremendous sum for the Soviet Union, reversing the traditional neglect of this field.
4. Output of consumer--oriented industries and services, while impressive on a percentage basis, is inadequate to meet demand. Much of the production is of such low quality that even the long-suffering Soviet consumer refuses to

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buy available supplies of many items. The total volume of completed housing in 1964 was the lowest in six years. There will be some, but not much, improvement this year.

II. The new leadership has returned to a more central control over agriculture and the defense industries. Khrushchev's experiment of separate supervisory party organizations in the state and in the economy has been junked.

A. In light industry, however, experiments in greater managerial autonomy which began under Khrushchev have been expanded. They are also being tried in a few selected heavy industrial plants.

1. There are also indications that economists who have been urging that the natural forces of supply and demand play a greater role in Soviet economic administration will proceed.

2. In agriculture, the pendulum has swung again, and the quack theories of Lysenko and his cronies went out on the heels of the dismissal of Lysenko himself in January of this year.

III. Our estimate emphasizes, however, that the Soviet economy, despite its problems and despite the slowdown in the rate of growth, is still growing. We conclude that it can continue to support and even expand moderately the present vigorous and expensive efforts in the fields of defense and space, although not without further sacrifices of consumer and investment goals.

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25X1

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SUBCOMMITTEE

DOMINICAN REPUBLIC

- I. Three-man OAS Committee is holding almost daily meetings with both factions and has predicted the installation of a provisional government by mid-August.
 - A. Major points of contention are:
 1. Future of Dominican military establishment including present armed forces leaders and rebel military elements.
 2. Disarmament of civilian population.
 3. Degree of severity in dealing with future subversion.
 4. Tenure of the Inter-American Peace Force once a provisional government is formed.
- II. Splits within rebel camp are developing as negotiations continue.
 - A. Rebels divided over whether to seek negotiated settlement along OAS Committee - proposed lines or continue fighting.
 - B. Hard-line Communist factions continue to prepare for "prolonged war" in the interior.
 1. Large-scale guerrilla warfare training programs in the rebel zone are largely controlled by Communist extremists who are interspersing training with political indoctrination lectures.

B-4

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2. The extremist leaders seem confident of their ability to establish viable guerilla bases in interior, despite past failures to do so--due largely to peasant hostility.

III. Imbert government has continued its efforts to obstruct OAS solution and still favors direct military action against rebel zone in Santo Domingo.

- A. Military leaders, who had previously indicated their acceptance of a provisional government headed by Garcia Godoy, are considering throwing their support behind Imbert's efforts to retain power.

IV. Imbert and Caamano governments coming under increasing pressure from Dominican civic, business, and labor groups to reach quick agreement.

- A. Former president Joaquin Balaguer has continued his efforts in Santo Domingo to build his political future and has initiated a campaign to win the presidency in next election.
- B. Juan Bosch, titular head of the Dominican Revolutionary Party (PRD), still in Puerto Rico, states he will not return to the Dominican Republic as long as the OAS is there. His refusal to return to the Dominican Republic is causing consternation among PRD leaders in Santo Domingo.

~~SECRET~~

6 August 1965

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SOVIET SPACE ACHIEVEMENTS

- I. Recently the Soviets have stepped up both the pace and diversity of their space efforts.
 - A. In an unprecedented flurry of activity in mid-July the USSR successfully launched three new space ventures within three days and made a fourth attempt which was unsuccessful.
 1. The decision to launch such an array at this time may have been, in part at least, to offset the spectacular success of our Mars probe, Mariner 4.
 - B. The Soviets are continuing to run a very active photoreconnaissance satellite program.
 1. So far this year they have launched ten reconnaissance satellites.
 2. The most recent reconnaissance satellite, Cosmos 77, was launched on 3 August.
 3. On 13 July the Soviets attempted to launch a reconnaissance satellite which failed before achieving orbit. This was only the fifth launch failure since this program began in late 1961.
 - C. Recently there have been rumors that the Soviets are preparing for another space spectacular, possibly even a manned lunar flight, in the near future.

B-6

1. The Soviets probably do have plans under way for another manned space flight later this summer but we believe that it will be at least a couple of years before they are ready to attempt a manned lunar flight.
2. So far we have seen no indications that the Soviets are planning a manned space venture to upstage our Gemini 5 flight scheduled for later this month.

B-7

SECRET

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CHARACTERISTICS OF THE SOVIET SA-2 SAM SYSTEM

The following data applies to the version of the SA-2 system deployed in North Vietnam. Later versions have improved performance.

System Capabilities

Maximum intercept range.17 n.m. to 21 n.m.

(depending upon target altitude and speed)

Minimum intercept range.5 to 6 n.m.

Maximum effective altitude . . .about 90,000 feet

Minimum effective altitude . . .about 1,600 feet
(varies with terrain,
speed of target, and
distance of target
from site)

Maximum radar detection range. .53 n.m. (1 sq. meter
target)

Guideline missile dimensions

Length.missile body 26.2 feet

booster 8.6 feet

over-all 34.8 feet

Diameter.missile body 1.6 feet

booster 2.12 feet

Major equipment needed for a launch site

6-12 missile transporters and missiles

Fan Song target-tracking and missile-guidance radar

Spoon Rest acquisition radar (may use other acquisition
radars)

IFF (identification, friend or foe) antenna

B-8

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3-4 van-mounted generators

Power distribution van

Control van

Computer and guidance van

Communications van

Mobility

All SA-2 launch site equipment is transportable, and most of it is permanently mounted in trucks or vans. A well-trained crew can disassemble an emplaced site in about 4 hours, move it by road to a prepared location, and put it back in operation in as little as 6 more hours, not counting road time. Revetted positions are desirable but not essential. A convoy for a single SA-2 launch site would probably include 17-25 equipment vehicles, plus personnel vehicles.

Manning requirements

Soviet SA-2 launch sites typically require 140-150 men. A four-site regiment with headquarters and technical support elements totals close to a thousand men. Individual sites cannot operate independently for any length of time without support. Many of the equipment operators need only a few months' training, but maintenance and missile assembly require a large number of skilled technicians with much more extensive training--up to 10 months.

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SECRET

Approved For Release 2005/01/06 : CIA-RDP82R00025R000500290005-5

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GREECE

- I. The current Greek political crisis is the worst since the Communist-precipitated civil war following World War II. It is the culmination of a conflict which has been building up for several months. The future of the monarchy and the continued alignment of Greece with the West may hang in the balance.
 - A. The King and conservatives had worried over measures taken by former prime minister Papandreou which seemed to them would shift control of the armed forces to leftist elements.
 - B. The discovery of a small leftist oriented organization ("Aspida" or "Shield") in the security forces apparently involving Papandreou's son embarrassed the prime minister and was a factor in his demand for personal control of the Ministry of Defense so he could cover up.
 - C. The King refused, dismissed Papandreou on 15 July and appointed Athanasiadis-Novas as parliamentary leader of Papandreou's Center Union Party.
- II. The intense street activity by Papandreou's followers in the last two weeks, strongly assisted by the Communist Front EDA, has created splits within the Center Union but has also made it clear that the Athanasiadis-Novas government could not last. Only a minority of the Center Union backed him.
- III. Communist-dominated trade unions, youth groups, and organizations of all sorts have taken advantage of the situation to whip up demonstrations, and to attack the monarchy and the United States.
 - A. The role of the monarchy in Greek politics has been a matter of bitter dispute for a century and there is a strong bias against it, extending far beyond the Communists.
 - B. To forestall the possibility of the monarchy's collapse, the army might well attempt its own coup d'etat.

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B-10

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Next 1 Page(s) In Document Exempt

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